

LIVINGSTON PARISH CLERK OF COURT**REPORT ON AUDIT OF
FINANCIAL STATEMENTS****JUNE 30, 2006****LIVINGSTON, LOUISIANA**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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July 21, 2006

INDEPENDENT AUDITOR'S REPORT

To the Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court
Livingston, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund (General Fund) and each fiduciary fund of the Livingston Parish Clerk of Court (a component unit of the Livingston Parish Council), as of and for the year ended June 30, 2006, which collectively comprise the Clerk's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Livingston Parish Clerk of Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the Major Fund (General Fund) and each fiduciary fund of the Livingston Parish Clerk of Court as of June 30, 2006, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

To the Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court

In accordance with Government Auditing Standards, we have also issued a report dated July 21, 2006, on our consideration of the Livingston Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 12 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on them.

Respectfully submitted,

Hannis T. Bourgeois, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

Management's Discussion and Analysis (MD&A) for the Livingston Parish Clerk of Court is designed to:

- assist the reader in focusing on significant financial issues;
- provide an overview of the Livingston Parish Clerk of Court's financial activities;
- identify changes in the Livingston Parish Clerk of Court's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
- identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and
- identify individual fund issues or concerns.

The information contained within this MD&A should be considered only as part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and other Required Supplemental Information (RSI) that are provided in addition to this MD&A.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the reader to the basic financial statements contained in the annual report and provides an overview of the Livingston Parish Clerk of Court's financial activities. The Clerk of Court's basic financial statements consist of the following components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

Other required supplementary information, including the required budgetary comparison schedule(s) are presented immediately before the notes to the financial statements.

LIVINGSTON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

A. Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the financial operations of the Livingston Parish Clerk of Court as a whole in a format similar to private sector companies. Under this format, all governmental and business-type activities are consolidated into columns which add to a total for the governmental entity. For the Clerk of Court, only governmental activities are included in the presentation. Accordingly, there is no "totals" column in the presentation.

- a. The Statement of Net Assets presents information on all of the Clerk of Court's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, increases or decreases in net assets (and changes in the components of net assets) may serve as a useful indicator of whether the financial position of the Clerk of Court is improving or weakening.
- b. The Statement of Activities presents information showing how the Clerk of Court's net assets changed during the fiscal years presented. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The format for the Statement of Activities presents the expenses for each function (salaries, office expenditures, insurance, travel and auto allowances, other expenditures, intergovernmental transfers, and depreciation on capital assets) reduced by the Program Revenues (charges for services, operating grants and contributions, and capital grants and contributions) directly related to each respective function, to determine net costs of each function. The net costs of each function are normally covered by general revenues. For the Clerk of Court, the only program (function) is "Judicial." Additionally, the Clerk does not receive any operating or capital grants or contributions. All revenues are generated from fees, charges and commissions for services.

B. Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources which have been segregated for specific activities or objectives. The Livingston Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Clerk of Court uses two categories of funds to account for financial transactions: governmental funds, and fiduciary funds.

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Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances available for spending at year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Clerk of Court's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk of Court's programs. The Livingston Parish Clerk of Court has only one governmental fund - the General Fund - which is used to account for the Clerk of Court's basic services.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Livingston Parish Clerk of Court adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided to demonstrate budgetary compliance.

The only type of *Fiduciary fund* maintained by the clerk is an "agency" fund. Agency funds are custodial in nature and represent assets held by the clerk as an agent for litigants pending court action. Under applicable standards of GASB 34, agency funds are not included in the government-wide financial statements. These activities are excluded from the Clerk of Court's other financial statements because the Clerk of Court cannot use these assets to finance its operations. The Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

C. Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. When reviewing this Management's Discussion and Analysis, the reader should refer to and review the Notes to the Financial Statements as well as the Government-Wide and Fund Financial Statements.

LIVINGSTON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

Government-Wide Financial Analysis

Statement of Net Assets

Presented below is a condensed Statement of Net Assets for the Livingston Parish Clerk of Court. The condensed format allows the reader to view the overall financial position of the Clerk of Court. Explanation of the components of this statement, and the Condensed Statement of Activities, are included immediately following the tables.

Condensed Statement of Net Assets - Governmental Activities

	<u>Total Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
Cash and Other Current Assets	\$ 1,784,859	\$ 1,691,930
Capital Assets, Net	884,359	990,333
Total Assets	<u>2,669,218</u>	<u>2,682,263</u>
Other Liabilities	105,394	107,308
Total Liabilities	<u>105,394</u>	<u>107,308</u>
Net Assets:		
Investment in Capital Assets, net of Related Debt	884,359	990,333
Unrestricted Net Assets	<u>1,679,465</u>	<u>1,584,622</u>
Total Net Assets	\$ <u>2,563,824</u>	\$ <u>2,574,955</u>

Government-Wide Review of Condensed Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Livingston Parish Clerk of Court exceeded liabilities by \$2,563,824 compared to \$2,574,955 the previous fiscal year. Approximately 35% of the Clerk of Court's net assets reflects its investment in capital assets (e.g., equipment). These assets are not available for future spending. The balance of the Clerk's net assets between fiscal years 2005 and 2006 remained virtually unchanged.

LIVINGSTON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

Statement of Activities

A condensed Statement of Activities for the Livingston Parish Clerk of Court is presented below. It lists the major categories of revenues and expenses for the fiscal years ended June 30, 2006 and 2005. The Clerk's total revenues increased by slightly more than seven percent. The total cost of all programs and services decreased approximately \$67,000 or just under two percent, resulting a decrease in net assets for the year, but at a lesser rate than the previous year's decrease.

Condensed Statement of Activities - Governmental Activities

	<u>Total Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
Program Revenues:		
Charges for Services and Licenses	\$ 3,324,116	\$ 3,295,271
General Revenues:		
Interest Income	144,742	81,983
Sale of Software License	185,000	-
Other Revenues	178,516	184,718
Total Revenues	<u>3,832,374</u>	<u>3,561,972</u>
Program Expenses:		
Salaries	1,793,868	1,810,160
Office Expenditures and Insurance	1,240,995	1,228,030
Travel and Auto Allowances	24,201	21,175
Other Expenditures	627,303	697,935
Intergovernmental Transfers	-	12,483
Depreciation	157,138	140,850
Total Program Expenses	<u>3,843,505</u>	<u>3,910,633</u>
Change in Net Assets	\$ <u>(11,131)</u>	\$ <u>(348,661)</u>

Government-Wide Review of Condensed Statement of Activities

The Condensed Statement of Activities presents revenues, expenses, and changes in net assets separately for governmental activities. The condensed format allows for presentation of Program Revenues followed by a listing of General Revenues (Interest Income and Miscellaneous Revenues) to support the Livingston Parish Clerk of Court's overall governmental activities. Expenses are presented on a functional basis (Salaries, Office Expenditures and Insurance, Travel and Auto Allowances, Other Expenditures, and Transfers), with depreciation on fixed assets listed separately since the assets serve essentially all functions.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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There are two categories of revenues on the Statement of Activities - "Program Revenues" and "General Revenues." Program Revenues derive directly from the program itself or from parties outside the Clerk of Court's taxpayers or citizenry, as a whole; they reduce the net cost of the functions to be financed from the government's General Revenues. Program Revenues totaled \$3,324,116 and \$3,295,271 for the fiscal years ending June 30, 2006 and 2005 respectively, with the major components as listed in the table below:

Components of Program Revenue	Total Governmental Activities			
	2006		2005	
	Amount	Percent	Amount	Percent
Recordings, Cancellations, and Mortgage Certificates	\$1,686,184	50.72%	\$1,585,568	48.12%
Suits and Successions	1,163,378	35.00%	1,273,614	38.65%
Court Attendance and Bond Forfeits	85,636	2.58%	111,269	3.38%
Photocopies	361,288	10.87%	298,021	9.04%
Licenses and Permits	27,630	0.83%	26,799	0.81%
Total Program Revenues	\$3,324,116	100.00%	\$3,295,271	100.00%

"General Revenues" totaling \$508,258 and \$266,701 respectively, consisted of interest income earned on cash and investments and various other fees and reimbursements for services of the Clerk of Court's office as well as the proceeds derived from the sale of a software license to Cott Systems of Worthington, Ohio.

Components of General Revenue	Total Governmental Activities			
	2006		2005	
	Amount	Percent	Amount	Percent
Interest Earned	\$ 144,742	28.48%	\$ 81,983	30.74%
Sale of Software License	185,000	36.40%	-	-
Other Revenue	178,516	35.12%	184,718	69.26%
Total General Revenues	\$ 508,258	100.00%	\$ 266,701	100.00%

LIVINGSTON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

Analysis of Fund Financial Statements

The Livingston Parish Clerk of Court maintains only one "governmental fund" - the General Fund (formerly reported as the Salary Fund). Its statements are presented as follows:

<u>Description of Financial Statement</u>	<u>Page Numbers</u>
Balance Sheet	15
Statement of Revenues, Expenditures, and Changes in Fund Balance	17

Governmental Funds

Under the modified-accrual basis for Fund Financial Statements, the emphasis is on accounting for current financial resources of the Livingston Parish Clerk of Court. The analysis in this section includes a discussion of components of the Fund Financial Statements, but concentrates on differences not discussed previously for the Government-Wide Financial Statements. At fiscal year-end, the General Fund reported an Unreserved Fund Balance of \$1,672,367 an increase of \$94,621 from 2005's balance of \$1,577,746. Cash and Cash Equivalents and Receivables totaling \$1,705,548 in 2006 increased \$107,639 from 2005's balance of \$1,597,909. Capital Assets are presented only in the Government-Wide presentation. The Fund Financial Statements only account for current financial resources; therefore, current year capital expenditures are accounted for in the current year operating statement (Statement of Revenues, Expenditures, and Changes in Fund Balance). Current liabilities included in the Fund Financial Statements consist of Accounts Payable, Payroll Taxes and Related Employee Benefits, and Accrued Employee Leave.

The fund reporting format presents in the Statement of Revenues, Expenditures, and Changes in Fund Balance all revenue types followed by the expenditures of the Livingston Parish Clerk of Court, also presented on a functional basis but in more detail than the Government-Wide Financial Statements. The major revenue and expenditure sources are similar to the government-wide presentation. The differences in total expenditures are in the reporting of capital expenditures, depreciation and cash expended for insurance. As previously noted, in the Fund Financial Statements capital expenditures are reported on the operating statement (Statement of Revenues, Expenditures, and Changes in Fund Balance); whereas the Government-Wide Financial Statements report capital assets on the Statement of Net Assets with depreciation expense recorded on the Statement of Activities in a manner similar to a private business enterprise.

LIVINGSTON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

Required Supplementary Information

In addition to this Management's Discussion and Analysis and the basic financial statements, the annual report also presents certain required supplementary information. For the Livingston Parish Clerk of Court, the Required Supplementary Information is included for the General Fund as "Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual-General Fund." The presentation under the GASB 34 standard requires disclosure of both the original and the final budget. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Analysis of Significant Budget Variations in the General Fund

The Livingston Parish Clerk of Court demonstrated legal compliance by amending its budget in accordance with provisions of the Local Government Budget Act. Actual revenues and other sources were within 5% of budgeted revenues and other sources, and actual expenditures did not exceed budgeted expenditures and other uses by 5%.

The significant variations from the original budgeted revenues and expenditures for the General Fund were as follows:

- ❖ There were no significant variations from original budgeted revenues other than the increase to account for the sale to Cott Systems of a commercial exploitation license of the Clerk's eCommerce application.
- ❖ The original budgeted expenditures for Other Expenditures and Office Expenditures were increased to reflect additional costs relating to the digitizing of paper conveyance documents and other disaster recovery and prevention expenses following hurricanes Katrina and Rita. Some expenditures originally reclassified from Repairs and Maintenance into the Other Expenditures category were ultimately recorded and reported as normal operating expenditures. The net increase in these budgeted expenditure categories was \$115,592. Actual expenditures for the combined categories exceeded final budget amounts by less than \$20,000.
- ❖ Actual revenues exceeded the amended budget by \$264,544. Expenditures exceeded the amended budget by \$103,077.

Budgets for other revenue and expenditure categories were amended in the normal course of operations.

LIVINGSTON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

Capital Assets and Long-Term Debt

Capital Assets at Year-End

	Governmental Activities
Beginning Balance	\$ 1,659,542
Plus Additions	51,164
Less Deletions	-
Less Accumulated Depreciation	(826,347)
Ending Balance	<u>\$ 884,359</u>

For governmental activities, major capital additions consisted of:

- ❖ A motorized high density file records storage system for "original" documents was acquired at a cost of approximately \$31,000. Additionally, approximately one-third of the PC computer workstations were replaced as part of the normal replacement cycle. There were no other major systems acquired during the Fiscal Year.
- ❖ GASB Statement No. 34 requires adoption of a capitalization "threshold" policy. "Threshold" policy means that a policy must be adopted indicating the bottom limit at which a purchased asset must be capitalized (added to the capital asset listing) and depreciated in accordance with requirements of GASB Statement No. 34. The Livingston Parish Clerk of Court maintains a "threshold" of \$1,000 or more for capitalizing and depreciating assets. Moveable assets costing \$500 or more are "tagged" and monitored for stewardship purposes.

Long-Term Debt

The debt structure is simple for the Livingston Parish Clerk of Court since Clerks of Court are not allowed to incur long-term indebtedness for bonds or notes payable. At year-end, the Livingston Parish Clerk of Court had no long-term debt outstanding.

Economic Factors

In calendar year 1999, the Clerk began a comprehensive modernization of the office computer systems as a part of his Strategic Technology Implementation Plan. The Plan embraces multiple modern-day office technologies - computers for data processing and office productivity; digital imaging of documents for archival storage and reproduction; telephone and other communications systems; and internet-based customer services.

With respect to the data processing and productivity aspects of the Plan, market forces in the industry have necessitated the purchase of new workstation PCs and network servers and peripherals. Specifically, vendors of the software employed in indexing, recording, and archiving

LIVINGSTON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

documents and civil suits, issuing marriage licenses, processing civil suits, and managing the jury selection functions have all re-designed their products to operate on PCs running under the Windows XP Professional desktop and network operating systems. In the past, these applications ran exclusively on an HP3000 minicomputer system. Since 1999, they have run in a hybrid environment. It is anticipated that the obsolete HP3000 will have been completely replaced by the end of FYE June 30, 2007.

In the latter half of FYE June 30, 2004, the Clerk purchased several new PC file servers, workstations, backup devices, and related network and peripheral hardware and software that became the infrastructure for the new Windows XP-based application software. In the first half of FYE June 30, 2005, the Clerk's technology consultants and IT staff upgraded the network operating systems and remaining infrastructure in anticipation of Cott Systems' (the software vendor) installation of the *Verdict* Civil Suit and Advance Deposit, Jury Management, and Minute modules - collectively referred to as "*Verdict Civil*." These modules joined the *Resolution* (Cashiering, Indexing, Imaging, and Marriage License) modules installed over the preceding three fiscal years.

In addition to *Verdict Civil*, which was fully implemented during FYE 2005, *Verdict Criminal* is scheduled for acquisition and implementation during the second quarter of FYE 2007. During FYE 2005, the Clerk commenced the digitization and indexing of over 25,000 plat maps under the *Resolution* system. Conversion of the plat maps continued throughout FYE 2006 and will do so in FYE 2007.

In FYE 2006, the eCommerce module of the Data Mining system (the part that allows for secure internet-based sale and payment for downloadable copies) was completed and implemented. In November 2005, the Clerk sold a license to further develop and commercially exploit the eCommerce module to Cott Systems of Worthington, Ohio. Under the terms of the agreement, over a two-year period, the Clerk will recoup the original \$185,000 investment in the software through credits to be applied against currently installed Cott application support and maintenance fees (*Verdict Civil* and *Resolution*) and forthcoming acquisition and support fees for the *Verdict Criminal* software system as well as digitizing services.

The clerk estimates that the infrastructure costs (hardware, software, project management fees and integration fees) attributable to the next stage of the Strategic Technology Implementation Plan, which includes the above-described projects and a comprehensive Disaster Recovery and Business Continuity Plan to be expended in FYE June 30, 2007, will be approximately \$250,000.

Requests for Information

This financial report is designed to provide a general overview of the Livingston Parish Clerk of Court's finances and to demonstrate the Clerk of Court's accountability. If you have questions regarding this report or need additional information, contact Thomas L. Sullivan, Jr., Clerk of Court, Livingston Parish Clerk of Court, First Floor Courthouse Building, P.O. Box 1150, Livingston, LA 70454; phone number (225) 686-2216.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF NET ASSETS

JUNE 30, 2006

(With Comparative Totals as of June 30, 2005)

	Governmental Activities	
	2006	2005
ASSETS		
Cash and Cash Equivalents	\$ 1,502,148	\$ 1,485,589
Receivables, Net	275,613	199,465
Prepaid Insurance	7,098	6,876
Capital Assets (Net of Accumulated Depreciation)	884,359	990,333
Total Assets	<u>\$ 2,669,218</u>	<u>\$ 2,682,263</u>
LIABILITIES		
Accounts Payable	\$ 6,854	\$ 6,858
Payroll Taxes and Related		
Benefits Payable	80,303	79,634
Accrued Employee Leave	18,237	20,816
Total Liabilities	<u>105,394</u>	<u>107,308</u>
NET ASSETS		
Investment in Capital Assets	884,359	990,333
Unrestricted	1,679,465	1,584,622
Total Net Assets	<u>2,563,824</u>	<u>2,574,955</u>
Total Liabilities and Net Assets	<u>\$ 2,669,218</u>	<u>\$ 2,682,263</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2006
(With Comparative Totals for the Year Ended June 30, 2005)

	<u>2006</u>	<u>2005</u>
<u>Governmental Activities:</u>		
Expenses:		
Judicial:		
Salaries	\$ 1,793,868	\$ 1,810,160
Office Expenditures	617,745	639,918
Insurance	623,250	588,112
Auto/Travel	14,526	11,297
Clerk's Allowance	9,675	9,878
Other Expenditures	627,303	697,935
Intergovernmental Transfer	-	12,483
Depreciation	<u>157,138</u>	<u>140,850</u>
Total Expenses	3,843,505	3,910,633
Program Revenues:		
Fees, Charges & Commissions for Services:		
Recordings	1,640,419	1,532,576
Cancellations	34,422	39,102
Mortgage Certificates	11,343	13,890
Court Attendance	10,300	9,980
Photocopies	361,288	298,021
Bond Forfeits	75,336	101,289
Suits and Successions	1,163,378	1,273,614
Licenses and Permits	<u>27,630</u>	<u>26,799</u>
Net Program Revenues	3,324,116	3,295,271
General Revenues:		
Interest Revenue	144,742	81,983
Sale of Software License	185,000	-
Other Revenue	<u>178,516</u>	<u>184,718</u>
Total General Revenues	<u>508,258</u>	<u>266,701</u>
Change in Net Assets	(11,131)	(348,661)
Net Assets - Beginning of Year	<u>2,574,955</u>	<u>2,923,616</u>
Net Assets - End of Year	<u><u>\$ 2,563,824</u></u>	<u><u>\$ 2,574,955</u></u>

The accompanying notes constitute an integral part of this statement.

FUND FINANCIAL STATEMENTS

LIVINGSTON PARISH CLERK OF COURT

BALANCE SHEET - GOVERNMENTAL FUND

JUNE 30, 2006

(With Comparative Totals as of June 30, 2005)

	<u>General Fund</u>	
	<u>2006</u>	<u>2005</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,502,148	\$ 1,485,589
Receivables	203,400	112,320
Due from Other Funds	53,686	65,583
Due from Other Governments	<u>18,527</u>	<u>21,562</u>
Total Assets	<u>\$ 1,777,761</u>	<u>\$ 1,685,054</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 6,854	\$ 6,858
Payroll Taxes and Related Benefits Payable	80,303	79,634
Accrued Employee Leave	<u>18,237</u>	<u>20,816</u>
Total Liabilities	105,394	107,308
 Fund Balances:		
Unreserved	<u>1,672,367</u>	<u>1,577,746</u>
Total Fund Balances	<u>1,672,367</u>	<u>1,577,746</u>
Total Liabilities and Fund Balances	<u>\$ 1,777,761</u>	<u>\$ 1,685,054</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

JUNE 30, 2006

(With Comparative Totals as of June 30, 2005)

	<u>2006</u>	<u>2005</u>
Fund Balances - Total Governmental Fund	\$ 1,672,367	\$ 1,577,746
Amounts Reported for Governmental Activities in the Statetement of Net Assets are Different Because:		
Cost of Capital Assets	1,710,706	1,659,542
Less: Accumulated Depreciation	<u>(826,347)</u>	<u>(669,209)</u>
	884,359	990,333
Prepaid Insurance	<u>7,098</u>	<u>6,876</u>
Net Assets of Governmental Activities	<u>\$ 2,563,824</u>	<u>\$ 2,574,955</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUND

FOR THE YEAR ENDED JUNE 30, 2006
(With Comparative Totals for the Year Ended June 30, 2005)

	<u>General Fund</u>	
	<u>2006</u>	<u>2005</u>
Revenues:		
Fees, Charges & Commissions for Services:		
Recordings	\$ 1,640,419	\$ 1,532,576
Cancellations	34,422	39,102
Mortgage Certificates	11,343	13,890
Court Attendance	10,300	9,980
Photocopies	361,288	298,021
Bond Forfeits	75,336	101,289
Suits and Successions	1,163,378	1,273,614
Licenses and Permits	27,630	26,799
Interest Revenue	144,742	81,983
Sale of Software License	185,000	-
Other Revenue	178,516	184,718
Total Revenues	3,832,374	3,561,972
Expenditures:		
Judicial:		
Salaries	1,793,868	1,810,160
Office Expenditures	617,745	639,918
Insurance	623,472	587,942
Auto/Travel	14,526	11,297
Clerk's Allowance	9,675	9,878
Other Expenditures	627,303	697,935
Intergovernmental Transfer	-	12,483
	3,686,589	3,769,613
Capital Outlay	51,164	154,182
Total Expenditures	3,737,753	3,923,795
Excess (Deficit) of Revenues Over Expenditures	94,621	(361,823)
Fund Balance - Beginning of Year	1,577,746	1,939,569
Fund Balance - End of Year	\$ 1,672,367	\$ 1,577,746

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES**

JUNE 30, 2006

(With Comparative Totals for the Year Ended June 30, 2005)

	<u>2006</u>	<u>2005</u>
Net Change in Fund Balance - Total Governmental Fund	\$ 94,621	\$ (361,823)

**Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because:**

**Governmental Funds Report Capital Outlays as Expenditures. In the
Statement of Activities, the Costs of those Assets is Allocated
over their Estimated Useful Lives as Depreciation Expense.
This is the Amount by Which Capital Outlays Exceeded
Depreciation Expense in the Current Period:**

Capital Outlay	51,164	154,182
Depreciation Expense	<u>(157,138)</u>	<u>(140,850)</u>
	(105,974)	13,332

**Some Expenditures reported in the Governmental Funds do not
Require the use of Current Financial Resources and are not
reported as expenses in the Statement of Activities.**

Change in Prepaid Insurance	<u>222</u>	<u>(170)</u>
Change in Net Assets of Governmental Activities	<u>\$ (11,131)</u>	<u>\$ (348,661)</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Fees, Charges & Commissions for Services:				
Recordings	\$ 1,635,000	\$ 1,635,000	\$ 1,640,419	\$ 5,419
Cancellations	42,500	33,000	34,422	1,422
Mortgage Certificates	15,500	11,400	11,343	(57)
Court Attendance	10,100	10,000	10,300	300
Photocopies	317,100	342,100	361,288	19,188
Bond Forfeits	60,600	89,500	75,336	(14,164)
Suits and Successions	1,211,800	1,170,500	1,163,378	(7,122)
Licenses and Permits	30,300	26,800	27,630	830
Interest Revenue	42,500	60,000	144,742	84,742
Sale of Software License	-	7,700	185,000	177,300
Other Revenue	156,900	181,830	178,516	(3,314)
Total Revenues	3,522,300	3,567,830	3,832,374	264,544
Expenditures:				
Judicial:				
Salaries	1,669,600	1,727,064	1,793,868	(66,804)
Office Expenditures	500,800	557,412	617,745	(60,333)
Insurance	601,200	604,000	623,472	(19,472)
Auto/Travel	16,200	13,800	14,526	(726)
Clerk's Allowance	9,400	9,300	9,675	(375)
Other Expenditures	609,220	668,200	627,303	40,897
	3,406,420	3,579,776	3,686,589	(106,813)
Capital Outlay	100,500	54,900	51,164	3,736
Total Expenditures	3,506,920	3,634,676	3,737,753	(103,077)
Excess (Deficit) of Revenues Over Expenditures	15,380	(66,846)	94,621	161,467
Fund Balance - Beginning of Year	1,577,746	1,577,746	1,577,746	-
Fund Balance - End of Year	\$ 1,593,126	\$ 1,510,900	\$ 1,672,367	\$ 161,467

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

JUNE 30, 2006
(With Comparative Totals As Of June 30, 2005)

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>2006</u>	<u>2005</u>
ASSETS				
Cash	\$ 2,019,930	\$ 1,568,652	\$ 3,588,582	\$ 2,756,537
Accounts Receivable	<u>1,941</u>	<u>-</u>	<u>1,941</u>	<u>1,321</u>
Total Assets	<u>\$ 2,021,871</u>	<u>\$ 1,568,652</u>	<u>\$ 3,590,523</u>	<u>\$ 2,757,858</u>
LIABILITIES				
Due to General Fund	\$ 53,600	\$ 86	\$ 53,686	\$ 65,583
Due to Taxing Bodies and Others	<u>1,968,271</u>	<u>1,568,566</u>	<u>3,536,837</u>	<u>2,692,275</u>
Total Liabilities	<u>2,021,871</u>	<u>1,568,652</u>	<u>3,590,523</u>	<u>2,757,858</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF CHANGES IN FIDUCIARY UNSETTLED DEPOSITS
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2006
(With Comparative Totals for the Year Ended June 30, 2005)

	<u>Agency Funds</u>		<u>Total Agency Funds</u>	
	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>2006</u>	<u>2005</u>
Unsettled Deposits, Beginning of Year	\$ 1,876,512	\$ 815,763	\$ 2,692,275	\$ 2,812,851
Additions:				
Suits and Successions	1,872,767	-	1,872,767	2,042,295
Judgments	-	1,213,550	1,213,550	536,949
Interest Earned	-	51,354	51,354	17,903
Total Additions	1,872,767	1,264,904	3,137,671	2,597,147
Reductions:				
Clerk's Costs (Transferred to General Fund)	1,163,378	-	1,163,378	1,273,614
Settlements to Litigants	326,365	511,594	837,959	1,160,193
Sheriff's Fees	133,406	-	133,406	118,016
Other Reductions	157,859	507	158,366	165,900
Total Reductions	1,781,008	512,101	2,293,109	2,717,723
Unsettled Deposits, End of Year	\$ 1,968,271	\$ 1,568,566	\$ 3,536,837	\$ 2,692,275

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006

Note 1 - Organization, Nature of Operations, and Summary of Significant Accounting Policies -

A. Organization and Nature of Operations

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

B. Reporting Entity

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Livingston Parish Council. The council maintains and operates the parish courthouse in which the Clerk of Court's office is located and provides funds for equipment and furniture for the Clerk of Court's office. Because the Clerk of Court is fiscally dependent on the council, the Clerk of Court was determined to be a component unit of the Livingston Parish Council, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Basis of Statement Presentation

The accompanying component unit financial statements of the Livingston Parish Clerk of Court have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

D. Fund Accounting

The Clerk of Court uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain governmental functions or activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental fund (General Fund) and fiduciary (Agency Funds).

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Agency Funds

The Advance Deposit and Registry of Court Funds account for assets held as an agent for others. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

E. Measurement Focus/Basis of Accounting

Basic Financial Statements - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Livingston Parish Clerk of Court.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from *general revenues*.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

The Clerk of Court does not allocate indirect expenses.

Basic Financial Statements - Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of Governmental Funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by Governmental Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Funds use the following practices in recording revenues and expenditures:

Revenues

Revenues from recordings, copies, and other services are recognized when they become measurable and available as net current assets (i.e. when the service is performed). Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

F. Budgetary Policy and Accounting

The proposed budget for the 2006 fiscal year was made available for public inspection at the Clerk's office on June 28, 2005. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal prior to the public hearing. The budget hearing was held at the Clerk's office on June 28, 2005. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year-end. The final amended budget was approved June 29, 2006.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

G. Encumbrances

The Clerk of Court does not use an encumbrance accounting system.

H. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Clerk of Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

I. Prepaid Items

Payments made to vendors for general insurance that will benefit periods beyond June 30th are recorded as prepaid expenditures. These amounts are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

J. Capital Assets and Depreciation

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalization purposes.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

<u>Assets</u>	<u>Estimated Lives</u>
Office Equipment	5 Years
Furniture and Fixtures	5 to 7 Years
Automobiles	5 Years
Leasehold Improvements	30 Years

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

K. Compensated Absences

Employees earn vacation leave of ten days per year after one year of employment. Sick leave is earned at the rate of twelve days per year after one year of employment. Only the vacation leave is paid to the employees upon termination of employment and any accrued sick leave is forfeited. In accordance with GASB 16, Accounting for Compensated Absences, the liability for accrued unused employee vacation is included in these financial statements as Accrued Employee Leave.

L. Interfund Activities

The Clerk of Court transfers interest earned on deposits of the Advance Deposit Fund to the General Fund to be utilized by the General Fund in its operations. In those cases where the physical transfer of assets has not taken place as of year end, or where repayment is expected, these amounts are accounted for through the various due to and due from accounts.

M. Clerk's Fees Transferred from Advance Deposit Agency Fund

These fees represents revenue to the Clerk of Court earned from everyday operations such as copying and faxing for litigants and standard fees charged on suits. These fees are collected by a transfer of litigant's money deposited in the Advance Deposit Fund to the General Fund.

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. The amount owed to the parish treasurer under R.S. 13:785 is limited to the funds provided by the parish treasurer under provisions of R.S. 13:784 to help defray the costs of capital assets and record books during the clerk of court's four year term. The parish treasurer did not provide any funding under the provisions of R.S. 13:784 during the clerk of court's four year term; therefore, a liability is not owed to the parish treasurer under the provisions of R.S. 13:785 at June 30, 2006.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

P. Summary Financial Information for 2005

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient details to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the clerk's financial statements for the year ended June 30, 2005, from which the summarized information was derived.

Note 2 - Cash and Cash Equivalents -

At June 30, 2006, the carrying amount of the Clerk of Court's Cash and Cash Equivalents totaled \$5,090,730, and the confirmed bank balances totaled \$5,455,107. Cash and Cash Equivalents are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of cash and cash equivalents at June 30, 2006, with the related federal deposit insurance and pledged securities:

	<u>Governmental Funds</u>	<u>Agency Funds</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheet	<u>\$ 1,502,148</u>	<u>\$ 3,588,582</u>	<u>\$ 5,090,730</u>
Bank Balances (Category 3 Only):			
a. Uninsured and Uncollateralized	\$ -	\$ -	\$ -
b. Uninsured and Collateralized with Securities Held by the Pledging Institution	-	-	-
c. Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Department or Agent, but not in the Entities Name	<u>1,511,108</u>	<u>3,741,461</u>	<u>5,252,569</u>
Total Category 3 Bank Balances	<u>\$ 1,511,108</u>	<u>\$ 3,741,461</u>	<u>\$ 5,252,569</u>
Total Bank Balances (Regardless of Category)	<u>\$ 1,572,108</u>	<u>\$ 3,882,999</u>	<u>\$ 5,455,107</u>

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Clerk's deposits may not be returned to it. As of June 30, 2006, \$5,252,569 of the Clerk's bank balance of \$5,455,107 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entities name.

Note 3 - Investments -

At June 30, 2006, all investments held by the Clerk of Court are classified as cash equivalents.

Note 4 - Receivables -

The receivables at June 30, 2006 are as follows:

	<u>General Fund</u>
Accounts	\$ 203,400
Intergovernmental	18,527
Due from Fiduciary Funds	<u>53,686</u>
	<u>\$ 275,613</u>

Note 5 - Changes in General Fixed Assets -

A summary of changes in general fixed assets follows:

	<u>Balance June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2006</u>
<u>Governmental Activities:</u>				
Capital Assets being Depreciated:				
Buildings	\$ 670,825	\$ -	\$ -	\$ 670,825
Vehicles	55,479	-	-	55,479
Equipment	<u>933,238</u>	<u>51,164</u>	<u>-</u>	<u>984,402</u>
Total Capital Assets being Depreciated	1,659,542	51,164	-	1,710,706
Less: Accumulated Depreciation for:				
Buildings	114,012	22,361	-	136,373
Vehicles	34,931	6,165	-	41,096
Equipment	<u>520,266</u>	<u>128,612</u>	<u>-</u>	<u>648,878</u>
Total Accumulated Depreciation	<u>669,209</u>	<u>157,138</u>	<u>-</u>	<u>826,347</u>

(CONTINUED)

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
Total Capital Assets being Depreciated, Net	990,333	(105,974)	-	884,359
Total Governmental Activities Capital Assets, Net	\$ 990,333	\$(105,974)	\$ -	\$ 884,359

Depreciation expense of \$157,138 was charged to the Judicial Operations function in the Statement of Activities.

Note 6 - Changes in General Long-Term Debt -

The Clerk has no general long-term obligations at June 30, 2006.

Note 7 - Retirement Plans -

Plan Description: Substantially all employees of the Livingston Parish Clerk of Court are members of the Louisiana Clerk of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy: Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Livingston Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

In addition, the Louisiana Legislature passed R.S. 11:1562(C) which allows the Clerk of Court to pay out of the Clerk's operating funds all or any portion of the employee required contributions which would otherwise be deducted from the employee's salary. Since December 1999, the Clerk has elected to pay 100% of all retirement system contributions to the Louisiana Clerk of Court Retirement and Relief Fund.

Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collected by the tax rolls of each parish. The contributions requirements of plan members and the Livingston Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Livingston Parish Clerk of Court contributions to the System for the years ended June 30, 2006, 2005, and 2004, were \$370,403 (normal employer portion \$246,598 and employees portion \$123,805) \$349,165, and \$264,541, respectively, equal to the required contribution for each year.

Note 8 - Other Postemployment Benefits -

The Clerk of Court offers all retired employees health insurance benefits. The Clerk of Court pays the premiums. At June 30, 2006, eight retired employees were covered under the Clerk's health insurance plan. The cost to the Clerk of Court for the year ended June 30, 2006, was \$33,142.

Note 9 - Compensated Absences -

At June 30, 2006, employees of the Clerk of Court have accumulated and vested \$18,237 of employee leave benefits, computed in accordance with GASB Codification Section C60. The entire amount is recorded as an obligation of the General Fund.

Note 10 - Leases -

The Clerk of Court records items under capital leases as an asset and an obligation in the accompanying financial statements. At June 30, 2006, the Clerk of Court had no capital leases in effect.

The Clerk of Court has entered into various operating leases for machinery, office space and warehouse on various dates. The lease terms range from one year to eighty-four months. These leases require a total monthly payment of \$4,993. Total rent expense under these leases for the year ended June 30, 2006 is \$63,785.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

Future minimum lease payments under these leases by year and in the aggregate are as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2007	\$ 59,913
2008	55,977
2009	49,880
2010	39,666
2011	12,290
2012	<u>5,918</u>
Total Minimum Lease Payments	<u>\$ 223,644</u>

Note 11 - Changes in Fiduciary Fund Balances -

A summary of changes in agency fund unsettled deposits follows:

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2006</u>
Advance Deposit Fund	\$ 1,876,512	\$ 1,872,767	\$ 1,781,008	\$ 1,968,271
Registry of Court Fund	<u>815,763</u>	<u>1,264,904</u>	<u>512,101</u>	<u>1,568,566</u>
	<u>\$ 2,692,275</u>	<u>\$ 3,137,671</u>	<u>\$ 2,293,109</u>	<u>\$ 3,536,837</u>

Note 12 - Income Taxes -

The Clerk of Court is exempt from all Federal and Louisiana income taxes.

Note 13 - Litigation and Claims -

At June 30, 2006, the Clerk of Court is involved in general lawsuits, it is the opinion of the legal advisor for the Clerk of Court that the ultimate resolution of these lawsuits will not involve any material liability to the Clerk of Court in excess of insurance coverage.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**



Hannis T. Bourgeois, LLP

Certified Public Accountants

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July 21, 2006

To the Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court
Livingston, Louisiana

We have audited the financial statements of the governmental activities, the major fund (General Fund) and each fiduciary fund of the Livingston Parish Clerk of Court (a component unit of the Livingston Parish Council), as of and for the year ended June 30, 2006, which collectively comprises the Livingston Parish Clerk of Courts' basic financial statements and have issued our report thereon dated July 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Livingston Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court

Compliance

As part of obtaining reasonable assurance about whether the Livingston Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of management and the Louisiana Legislative Auditor, and should not be used for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Hannia T. Bourgeois, LLP